

# The Morenci Water & Electric C

401 Burro Alley  
P.O. Box 68  
Morenci, AZ 85540  
Telephone (928) 865-2229  
Facsimile (928) 865-5261



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November 12, 2008

2008 NOV 17 A 9:37

AZ CORP COMMISSION  
DOCKET CONTROL

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Purchase Power Fuel Adjuster  
Docket: E-01049A-97-0677  
Reports for October 2008

Dear Staff:

Please find enclosed forms FA-1, FA-1A, FA-1B, FA-1C, FA-2, FA-3, and Power Purchase Data for the above referenced month.

- Tucson Electric Power in the amount of \$100,313.94
- Tucson Electric Power in the amount of \$8,854,775.83
- Phelps Dodge Energy Services in the amount of \$339,264.00
- Phelps Dodge Energy Services in the amount of \$3,204,335.85
- Southwest Transmission Cooperative in the amount of \$128,514.22

Please let me know if you have any questions or comments.

Sincerely,

Ruel Rogers  
Superintendent

Arizona Corporation Commission  
DOCKETED

NOV 17 2008

RB/rb

Enclosures(13 sets)

XC: B. Bozzo, ACC w/encl.  
M. McElrath, FMI w/encl.  
J. Anderson, ACC w/encl.  
File PPFA 2008

DOCKETED BY

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1**  
**For the Month of October, 2008**

Line			
1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>(1,686)</u>
2A.	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>2,446,605</u>
2B.	Total Sales(includes Special Contract Sales, shown for computation of unit cost only)	KWH	<u>172,389,197</u>
2C.	Special Contract Sales not subject to PPFA per Decision No. 60807 dated Apr 8 1998	KWH	<u>169,942,592</u>
3.	ACTUAL COST OF PURCHASED POWER:	\$	<u>11,073,603</u>
4.	UNIT COST OF PURCHASED POWER: (Line 3/Line 2B)	\$/KWH	<u>0.064236</u>
5.	AUTHORIZED BASE COST OF PUR. POWER: Per Decision No.54712 Dated 10/10/85	\$/KWH	<u>0.075220</u>
6.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98, Updated Decision No. 61705 Dated 5/99	\$/KWH	<u>(0.019000)</u>
7.	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.67676 dated 03/05	\$/KWH	<u>0.000000</u>
8.	TOTAL RATE COLLECTED FROM CUSTOMER: (Line 5 + Line 6+ Line 7)	\$/KWH	<u>0.05622</u>
9.	INCREMENTAL DIFFERENCE BETWEEN AUTHORIZED AND ACTUAL RECOVERY: (Line 4 - Line 7)	\$/KWH	<u>0.008016</u>
10.	NET CHANGE TO BANK BALANCE: (Line 2A x Line 8) If Line 4 > Line 7 - Under Collected Balance. If Line 4 < Line 7 - Over Collected Balance, neg.	\$	<u>19,612</u>
11.	ADJUSTMENTS TO BANK BALANCE: From FA-1A	\$	<u>0</u>
12.	PREAPPROVED DSM COSTS: From FA-1B	\$	<u>0</u>
13.	ENDING BANK BALANCE: (Line 1 + Line 9 + Line 10 + Line 11)	\$	<u>17,926</u>

**THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1A  
ADJUSTMENTS TO BANK BALANCE DETAIL  
For the Month of October, 2008**

PLEASE PROVIDE A DETAILED SUMMARY OF THE ADJUSTMENTS THAT THE COMPANY IS CLAIMING THAT AFFECT THE ENDING BALANCE OF THE PURCHASED POWER AND FUEL ADJUSTOR REPORT. EXAMPLES OF ADJUSTMENTS COULD INCLUDE PRIOR PERIOD ADJUSTMENTS FOR BILLING ERRORS OR CORRECTIONS, REFUNDS RECEIVED FROM YOUR SUPPLIER, REFUNDS ORDERED BY THE COMMISSION ETC. ALL ADJUSTMENTS NEED TO BE THOROUGHLY EXPLAINED AND SUPPORTING DOCUMENTATION ATTACHED, IF APPROPRIATE. THE TOTAL OF ALL THE ADJUSTMENTS BEING CLAIMED SHOULD BE ENTERED AT THE BOTTOM OF THIS FORM AND ON FA-1, LINE 10.

ADJUSTMENTS TO BANK BALANCE:  
(Transfer amount to FA-1, Line 10.)

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\$0.00

THE MORENCI WATER & ELECTRIC COMPANY  
PURCHASED POWER AND FUEL ADJUSTOR  
BANK BALANCE REPORT FA-1B  
PREAPPROVED DSM COST DETAIL  
For the Month of October, 2008

PLEASE PROVIDE A DETAIL LISTING OF THE DSM COSTS CLAIMED ON FA-1, LINE 11. DSM COSTS SHOULD BE LISTED BY PROGRAM, AMOUNT AND PERIOD OF TIME WHEN THE FUNDS WERE ACTUALLY SPENT. THE TOTAL DOLLARS SPENT THIS MONTH ON ALL PROGRAMS SHOULD BE ENTERED ON THE LINE PROVIDED AT THE BOTTOM OF THIS PAGE AND ON FA-1, LINE 11.

PROGRAM NAME	APPLICABLE TIME PERIOD	CUMULATIVE COSTS CLAIMED TO DATE	COSTS CLAIMED THIS MONTH
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NONE

TOTAL DSM COSTS CLAIMED THIS MONTH  
(Transfer amount to FA-1, Line 11.)

\$0.00

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**BANK BALANCE REPORT FA-1C**  
**For the Month of October, 2008**

Supplemental report for Decision No. 61298 dated December 1998

Line

1.	ENDING BANK BALANCE FROM PREVIOUS MONTH: (Over = Neg, Under = Pos)	\$	<u>0</u>
2	JURISDICTIONAL SALES(Applicable to FUEL ADJ.): (= Total Sales - FA-3)	KWH	<u>0</u>
3	AUTHORIZED PURCHASED POWER ADJUSTOR: Per Decision No.61298 Dated 12/98	\$/KWH	<u>0.000000</u>
4	NET CHANGE TO BANK BALANCE: (Line 2 x Line 3)	\$	<u>0</u>
5	ENDING BANK BALANCE: (Line 1 + Line 5)	\$	<u>0</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-2**  
**For the Month of October, 2008**

Line

1. COMPANY NAME: THE MORENCI WATER & ELECTRIC COMPANY
2. MAILING ADDRESS: P.O. BOX 68 - MORENCI, AZ. 85540
3. CONTACT PERSON: DENNIS TRUE
4. CONTACT TELEPHONE NUMBER: (928) 865-6219

GENERATION

5.	GAS GENERATION	(\$)		
6.	OIL GENERATION	(\$)		
7.	COAL GENERATION	(\$)		
8.	OTHER GENERATION (Identify)	(\$)		
	TOTAL GENERATION COSTS	(\$)	A.	0

PURCHASED POWER

9.	BASE METER CHARGE	(\$)		
10.	DEMAND CHARGE	(\$)		
11.	ENERGY CHARGE	(\$)		
	TOTAL PURCHASED POWER COSTS (Including Special Contract Per Decision No. 60807)	(\$)	B.	<u>11,073,603.33</u>
12.	TOTAL COST OF GENERATION AND PURCHASED POWER (Total of Lines 8A and 11B)	(\$)		<u>\$11,073,603.33</u>
13.	KWH	(KWH)		
	Generated			0
	Purchased Special Contract (Per Decision No 60807)			<u>169,942,592</u>
	Purchased			<u>24,522,364</u>
	TOTAL KWH GENERATED/PURCHASED			<u>194,464,956</u>
14.	COST PER KWH (Line 12/Line 13)	(\$/KWH)		<u>0.056944</u>
15.	UNACCOUNTED FOR KWH'S			
	Line Loss	(KWH)		<u>326,166</u>
	Own Use	(KWH)		<u>6,776</u>

**THE MORENCI WATER & ELECTRIC COMPANY**  
**PURCHASED POWER AND FUEL ADJUSTOR**  
**GENERAL INFORMATION FA-3**  
**For the Month of October, 2008**

Line			
1.	<u>SALES (KWH)</u>		
	Residential	<u>1,095,951</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>1,350,654</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>169,942,592</u>	
	TOTAL SALES (KWH)		<u>172,389,197</u>
	(Total KWH Sales SHOULD Agree with number on FA-1, Line #2.)		
2.	<u>SALES (\$)</u>		
	Residential	<u>\$122,452.37</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>\$137,502.29</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>\$11,248,375.66</u>	
	TOTAL SALES (\$)		<u>\$11,508,330.32</u>
3.	<u>NUMBER OF CUSTOMERS **</u>		
	Residential	<u>2,194</u>	
	Commercial - (small)		
	Commercial - (small)		
	Industrial	<u>255</u>	
	Irrigation		
	Municipal		
	Wholesale		
	Other Sales (Special Contract Sales per Decision No. 60807 Dated April 8, 1998)	<u>1</u>	
	TOTAL CUSTOMERS		<u>2,450</u>

\*\*Use 'Avg' number of customers; Beg # + End # divided by 2.

**THE MORENCI WATER & ELECTRIC COMPANY**  
**Miscellaneous Power Purchase Data**  
**Excludes Special Contract Sales**  
**For the Month of October, 2008**

	<u>K.W.H.</u>	<u>Percent</u>	<u>K.W.</u>
Total Sales	172,389,197	99.8%	
Total Own Usage	44,273	0.0%	
Total System Losses	326,166	0.2%	
Total Purchased Energy	172,759,636		
System Losses-Rolling annual average		<u>3100.00%</u>	
MWE Billed Peak			N/A
MWE Load Factor as Billed		N/A	
*MWE/PDC Coincidental Peak Demand			N/A
*MWE/PDC Coincidental Load Factor		N/A	
*Per Prem Bahl's Calculations 6/17/91			
MWE Actual Peak Per 3 MWE Totalizers			N/A
MWE Actual Load Factor Per 3 MWE Totalizers		N/A	





P.O. Box 711  
Tucson, Arizona 85702  
520-745-7170  
520-571-4032

## INVOICE

**Morenci Water & Electric**  
Attn: Dennis True  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **November 5, 2008**  
Customer No: **TEP 0311 MWE 904**

Description	Charges	Credits	Amount
Charges in accordance with Service Schedules "A", "B", "C", "D", "E" and "F" of the Control Area Services Agreement dated August 18, 2004.			
<b>Month of: October 2008</b>			
Control Area Services:			
Administrative 287,007 kW @ 0.0128 / kW	3,673.70		3,673.70
Reactive Supply & Voltage Control 287,007 kW @ 0.1610 / kW	46,208.20		46,208.20
Regulation & Frequency Response 3,413 kW @ 12.0850 / kW	41,246.11		41,246.11
Energy Imbalance - Outside Bandwidth:			
Negative Imbalance 21.27 MWh @ 100.00 / MWh	2,126.91		2,126.91
Positive Imbalance (83.675) MWh @ 60.06520 / MWh		5,025.98	(5,025.98)
Spinning Reserve 1,000 kW @ 12.0850 / kW	12,085.00		12,085.00
Interruptible Load/Non-Spin 0 kW @ 1.9840 / kW	-		-
Energy Imbalance - Inside Bandwidth - Payment-in-Kind:			
Negative Imbalance 1,634 MWh			
Positive Imbalance (1,813) MWh			
Net (179) MWh			

e-mail to:  
roxanne\_boling@fmi.com

**copy to:**

**Phelps Dodge**  
Attn: Michael McElrath  
One North Central Avenue  
Phoenix, Arizona 85004

**Payments are due the 15th day after invoice receipt**

**Amount Due TEP \$ 100,313.94**

Please Wire Transfer Payments to:

**Due Date: November 19, 2008**

Tucson Electric Power Company – Corporate  
**Wells Fargo Bank**  
ABA 121-000-248  
Account Number 495-0029116

Payments not received on or before the  
Due Date are subject to a late charge.

Checked By: \_\_\_\_\_

Approved By: \_\_\_\_\_

Questions? Call Kevin Battaglia at (520) 917-8722 or  
e-mail kbattaglia@tep.com



**The Energy People**

P.O. Box 711  
Tucson, Arizona 85702  
520-745-7170  
fax 520-770-2003

**INVOICE**

**Morenci Water & Electric Company**

Attn: Ms. Roxanne Boling  
P.O. Box 68  
Morenci, AZ 85540

Invoice Date: **November 10, 2008**

**TEP 0311 904**

Description	Charges	Credits	Amount
Energy purchased by: <b>MWE</b> October			
Energy Charge:			
Market Power - Real Time 58,067 MWh @ 40.82 /MWh	<b>2,370,049.00</b>		<b>2,370,049.00</b>
Market Power - Daily 0 MWh @ #DIV/0! /MWh	<b>0.00</b>		<b>-</b>
Short Term Contract (PWMT) 77,400 MWh @ 83.54 /MWh	<b>6,465,690.00</b>		<b>6,465,690.00</b>
Loss PAYB to EPE 0 MWh @ 0.00 /MWh	<b>0.00</b>		<b>0.00</b>
Additional Transmission costs: SWTC (WW to Greenlee delivery)	19,036.83		<b>19,036.83</b>
<b>Payments are due the later of the last day of the invoice month or the tenth day after receipt.</b>			
<b>Amount Due TEP</b>			<b>\$ 8,854,775.83</b>

Please Wire Transfer Payments to:

**Due Date: November 20, 2008**

Tucson Electric Power Company – Corporate

**Wells Fargo Bank**

ABA 121-000-248

Account Number 495-0029116

Payments not received on or before the  
Due Date are subject to a late charge.

Approved By: \_\_\_\_\_

Checked By: \_\_\_\_\_

Questions? Call Kevin Battaglia at (520) 745-7170 or  
e-mail [Kbattaglia@tep.com](mailto:Kbattaglia@tep.com)



**Phelps Dodge Energy Services**  
One North Central Avenue, Phoenix AZ 85004-2306  
(602) 366-8100 Voice  
(602) 366-7315 Facsimile

## INVOICE

**Morenci Water & Electric**  
P.O. Box 68  
66 Fairbanks Road  
Morenci, Az. 85540

**Invoice Date:** November 5, 2008

Description	Charges	Credits	Amount
Services Provided to MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Third Revised Sheet Nos. 1-2	\$ 339,264.00		\$ 339,264.00
Current Charges			<b>\$ 339,264.00</b>

**Due Date:** November 19, 2008

**Wire Transfer:**

Bank of America  
Dallas, Texas  
ABA # 026009593  
Account # 3752029501  
Phelps Dodge Energy Services



**Phelps Dodge Energy Services**  
One North Central Avenue, Phoenix AZ 85004-4414  
(602) 366-8100 Voice  
(602) 366-7315 Facsimile

## INVOICE

Invoice Date: November 5, 2008

Morenci Water & Electric  
P.O. Box 68  
66 Fairbanks Road  
Morenci, Az. 85540

Description	Charges	Credits	Amount
Energy Purchased by MW&E pursuant to : PDES's FERC Electric Tariff, First Revised Volume No. 1, Second Revised Sheet Nos.1-3 MWH 61,815	\$ 0.05184 \$ 3,204,335.85 \$ -		\$ 3,204,335.85
Current Charges			\$ 3,204,335.85

Due Date: November 19, 2008

**Wire Transfer:**

Bank of America  
Dallas, Texas  
ABA # 026009593  
Account # 3752029501  
Phelps Dodge Energy Services

**INVOICE**

TO: The Morenci Water and Electric Company  
Post Office Box 68  
4521 U. S. Highway 191  
Morenci, Arizona 85540

ATTN: Dennis True, Authorized Contract Representative

DATE: November 5, 2008

October, 2008

<b>Firm Transmission Service</b>	\$	68,460.00
Ancillary Services Schedule 1	\$	5,780.00
Ancillary Services Schedule 2	\$	1,880.00
<b>Non-Firm Transmission Service</b>	\$	25,672.50
Ancillary Services Schedule 1	\$	4,335.00
Ancillary Services Schedule 2	\$	1,410.00
<b>Transmission Losses</b>	\$	20,976.72
	\$	-
<b>TOTAL AMOUNT DUE TO SOUTHWEST TRANSMISSION COOP., INC.</b>	<b>\$</b>	<b>128,514.22</b>

Bills are due and payable at the Southwest Transmission Cooperative Inc. office 20 days after receipt of the invoice.

PLEASE REMIT TO: SOUTHWEST TRANSMISSION COOPERATIVE, INC.  
C/O BLANCHE MCCUNE-FINANCIAL SERVICES  
P.O. BOX 2195  
BENSON, AZ 85602-2195  
CUSTOMER NUMBER 40029  
PLEASE WIRE PAYMENT TO: BANK OF AMERICA  
ABA # 026009593 ACCT # 467-1865939

The Morenci Water and Electric Company  
Post Office Box 66  
4521 U. S. Highway 191  
Morenci, Arizona 85540

BILLING PERIOD: October, 2008

DATE: November 5, 2008

DATE DUE: 20 Days after receipt

DESCRIPTION				CREDITS	CHARGES
<b>FIRM TRANSMISSION SERVICE:</b>					
Reserved Capacity (20,000 kW)	20,000	kW @	\$3.42300 /kW		\$68,460.00
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	20,000	kW @	\$0.28900 /kW		\$5,780.00
Schedule 2 - Reactive Supply & Voltage Control	20,000	kW @	\$0.09400 /kW		\$1,880.00
Hourly Firm-On Peak	0	kWh @	\$0.00823 /kWh		\$0.00
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	0	kWh @	\$0.00069 /kWh		\$0.00
Schedule 2 - Reactive Supply & Voltage Control	0	kWh @	\$0.00023 /kWh		\$0.00
Hourly Firm-Off Peak	0	kWh @	\$0.00469 /kWh		\$0.00
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	0	kWh @	\$0.00040 /kWh		\$0.00
Schedule 2 - Reactive Supply & Voltage Control	0	kWh @	\$0.00013 /kWh		\$0.00
<b>SUBTOTAL FIRM TRANSMISSION</b>					<b>\$76,120.00</b>
<b>NON-FIRM TRANSMISSION SERVICE:</b> Rate includes 50% discount					
Reserved Capacity (25,000 kW)	15,000	kW @	\$1.71150 /kW		\$25,672.50
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	15,000	kW @	\$0.28900 /kW		\$4,335.00
Schedule 2 - Reactive Supply & Voltage Control	15,000	kW @	\$0.09400 /kW		\$1,410.00
Hourly NonFirm-On Peak	0	kW @	\$0.00412 /kW		\$0.00
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	0	kW @	\$0.00069 /kW		\$0.00
Schedule 2 - Reactive Supply & Voltage Control	0	kW @	\$0.00023 /kW		\$0.00
Hourly NonFirm-Off Peak	0	kW @	\$0.00235 /kW		\$0.00
Ancillary Services:					
Schedule 1 - Scheduling, Sys Control & Dispatch	0	kW @	\$0.00040 /kW		\$0.00
Schedule 2 - Reactive Supply & Voltage Control	0	kW @	\$0.00013 /kW		\$0.00
<b>SUBTOTAL NON-FIRM TRANSMISSION</b>					<b>\$31,417.50</b>
<b>SUBTOTAL</b>					<b>\$107,537.50</b>
<b>TOTAL AMOUNT DUE SWTC</b>					<b>\$107,537.50</b>

The Morenci Water and Electric Company  
 Post Office Box 66  
 4521 U. S. Highway 191  
 Morenci, Arizona 85540

BILLING PERIOD: October, 2008

DATE: November 5, 2008

DATE DUE: 20 Days after receipt

DESCRIPTION	CREDITS	CHARGES
<b>LOSSES FOR TRANSMISSION</b>		
Total kWh Wheeled by SWTC for MWE-Morenci		
<div> <div>* LOSS ADJUSTMENT (XXXXX kWh * .0297 loss rate)*</div> <div>11,709,000 kWh</div> </div>		
<div> <div>kWh * by Average cost of Energy for Month</div> <div>347,757 kWh @</div> </div>		
<div> <div>Average Cost supplied by MWE</div> <div>\$0.06032 /kWh</div> </div>		\$ 20,976.72
<b>TOTAL AMOUNT PAYABLE TO SWTC</b>		<b>\$ 20,976.72</b>